



Appropriations Committee Public Hearing Testimony - February 12, 2016

Good evening, Chairman Walker, Chairman Bye and Members of the Appropriations Committee. My name is Brian Anderson. I am speaking for Council 4 AFSCME, a union of 35,000 public and private sector employees. Our members make up the bulk of the Department of Labor workforce.

Our union urges you to reject laying off Department of Labor employees or outsourcing our work – work that benefits Connecticut’s citizens in their time of need. Our members recognize that these are challenging economic times. Yet, layoffs and outsourcing will make matters worse, rather than better.

As you know, the Department of Labor suffered close to 100 layoffs in September. DOL has several vital missions. Among other things, DOL protects workers on the job and assists unemployed workers in finding new jobs. DOL assists workers in need of unemployment compensation. It provides training to construction trade apprentices that keeps them safe on the job and protects the public in ensuring that buildings are built properly.

Yet, this valuable agency has had its workforce severely slashed in the last year. And the news media has done stories on unemployed citizens waiting far too long for help because there are 25 fewer call center employees to handle claims.

As we have seen time and again, outsourcing yields poor results. Outsourcing state employee work has yielded shoddy work, unbelievably long and tortuous waits for the public, the unfair fining of members of the driving public, towing of their cars and a stain on Connecticut state government. How sad to see that the remedy put forth now is to privatize even more and lay off state workers.

OPM Secretary Ben Barnes testified before you last week that a substantial part of Connecticut’s revenue problem has been the loss of middle income jobs and the growth of low wage jobs. This has cut into state revenue because low wage workers pay little tax and are unable to stimulate the economy through normal spending. Secretary Barnes power point presentation showed this. The Pew Charitable Trust recently reported on the impending damage to our economy because of the loss of a middle class. The Connecticut United Way’s recent ALICE report has also highlighted this problem.

You are faced with a difficult situation. But the answer is not to outsource public services or lay off public service workers. We’ve seen how poorly that’s working at the DOL. The answer is to ask our wealthiest citizens to sacrifice a little more to protect services and make our revenue system a fair one. Remember, General Electric fled Connecticut for Massachusetts, a state that taxes which taxes capital gains at 12%, compared to 7% for

Connecticut. And Massachusetts wants to pass a 4% annual surcharge on those making \$1 million or more a year.

Connecticut has a revenue problem. Slashing services and laying off workers will hurt, not help, our economy. Outsourcing is not about efficiency. It's an attempt to drive down costs by seeking an ever lower wage and benefits while putting money in the hands of the corporate one percent.

This chokes the consumption based economy that drives economic health for small business, big business and government. Also, most outsourcing actually wind up costing more money than they are supposed to save. This is just more of what is putting Connecticut's current and former middle class working families into an economic "death spiral."

Again, I urge you to reject layoffs and outsourcing of DOL workers and work. Thank you. I would be happy to answer any questions.